

Application
for a
BUSINESS ASSISTANCE
Rural Community Block Grant
to Construct Infrastructure
by
Bonneville County
in support of the
Eagle Rock Enrichment Facility
(AREVA Enrichment Services LLC)
March 15, 2010
Roger Christensen, Chairman
Bonneville County Commissioners

Prepared by:



March 15, 2010

Donald Dietrich, Director
Idaho Department of Commerce
P. O. Box 83720
Boise, ID 83720-0093

Dear Director Dietrich:

The County of Bonneville respectfully submits this application for an Idaho Rural Community Block Grant. The Eagle Rock Enrichment Facility (EREF) will be constructed at a rural site in Bonneville County approximately eighteen miles west of Idaho Falls on Highway 20.

The facility will employ approximately 250 individuals during the initial startup of operations and has the potential to employ up to 420 individuals. The facility, when fully operational, is to be a continual operation year round with three shifts. All of the employees will need to travel to the site via Highway 20. This necessitates that appropriate access (ingress and egress) to and from the site be constructed; both for the safety of the employees as well as for travelers on Highway 20.

The community supports the project. AREVA Enrichment Services LLC (AES) will invest several billion dollars to construct the EREF facility and will contribute a minimum of \$500,000 in funding to cover the costs for the Highway 20 infrastructure improvements. During the construction and startup phases of the facility it is expected that in excess of \$5 million will be injected into the local economy positively affecting Bonneville County and the surrounding Counties in eastern Idaho.

We appreciate your concern and attention to our grant request.

Sincerely,

Roger Christensen, Chairman
Bonneville County Commission

enc.

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D. APPLICATION INFORMATION

IDAHO RURAL COMMUNITY BLOCK GRANT

Applicant: Bonneville County Address: 605 N Capital, Suite 102, Idaho Falls ID 83402

Chief Elected Official: Roger Christensen, Commissioner Phone: (208) 529-1350 x 1360

Project Prepared By: Ted Hendricks -The Development Company Phone: (208) 356-4524 x 312
and Rick Miller – The Development Company at extension 314. Applic. Prepared by: Dorothy
Bowen – Shadowhawk Enterprises – (208) 390-3578.

Address: 299 East 4th North; Rexburg ID 83440 Email: rick.miller@ecipda.net

Architect/Engineer/Planner: AREVA Enrichment Services in coordination with the Idaho
Department of Transportation

AREVA Enrichment Services Phone: (208) 227-9440

Address: 1070 Riverwalk Drive, Suite 150, Idaho Falls, ID. 83402

Idaho Dept of Transportation at Rigby, Idaho Phone: (208) 745-7781

Project Area Population: Bonneville County – 81,388 (9 County east Idaho Population – 159,948)
Other Idaho Counties with economic ties to the INL – Bannock 23,395 and Bingham 9,029.

PROJECT FINANCING:

SOURCE	AMOUNT	DATE APPLICATION SUBMITTED	RESERVED/ CONDITIONAL AWARD	FUNDS COMMITTED/ CONTRACT AWARD DATE	DOCUMEN- TATION IN APPENDIX
RCBG	\$ 500,000	3/5/2010			
Private (AES)	\$ 520,306	n/a	03/15/2010*		App c
TOTAL PROJECT FINANCING	\$1,020,306				

Identify Loan Source(s) _____ Date Bond _____

The commitment of AES funding is contingent upon successful operating licensure and a federal loan guarantee for the Eagle Rock Enrichment Facility (EREF) construction.

APPLICATION CERTIFICATION: The data in this application is true and correct. This document has been duly authorized by the governing body of the County of Bonneville and the County will comply with all required certifications, laws, and regulations if the application is approved and selected for funding.

Name: (typed) Roger Christensen, Title: Chairman, Bonneville County Commissioners

Signature: _____ Date: March 15, 2010

E. ECONOMIC ADVISORY COUNCIL - Page (200 Points)

In December of 2008 AREVA Enrichment Services LLC submitted an application to the U.S. Nuclear Regulatory Commission (NRC) seeking a license to construct and operate a gas centrifuge uranium enrichment facility in the United States. Specifically, AES selected a site in Bonneville County, Idaho for its new Eagle Rock Enrichment Facility (EREF). The selection of Bonneville County as the site for the new EREF was determined after much research and effort. AES considered the Bonneville site along with four other potential sites in other states. In the end, the Bonneville site was chosen in large part because of the overall economics of doing business in Idaho – utility costs, land costs, implementing the project and labor costs.

The new facility will provide AES customers with solutions for carbon-free power generation and electricity transmission by providing enriched materials needed to operate nuclear power plants. Ranked first in the global nuclear power industry, AES offers unique integrated materials and services covering every stage of the fuel cycle including fuel, reactor design and construction and related services. AES, headquartered in Bethesda, Maryland, has a proven track record of business success in the U.S. and operates in 20 states with a workforce of more than 6,000 employees.

Construction of the \$2.5 billion facility is estimated to begin mid to late 2011 and employ between 800 and 1,000 construction workers. This will bring a very positive economic impact to the region for the lagging construction industry. Initial operations for the EREF are planned to begin in 2014 and will create 250 new jobs ranging from skilled positions to management, professional and clerical workers. The compensation and benefits package is extremely competitive with other similar nuclear industry positions. The average employee wage is currently estimated to be \$50,000 per year plus a competitive benefits package. It is important to note that when fully operational, the EREF will have the potential to employ a total of 420 employees.

Bonneville County is seeking assistance from the Rural Community Block Grant program in order to construct highway improvements on Highway 20 which will provide ingress and egress to the Eagle Rock Enrichment Facility, thus maintaining highway traffic safety for the area. There will be peak periods of traffic on Highway 20 between the areas of Idaho Falls and points to the west during the 24/7 shift changes at the EREF as well as current traffic to existing Idaho National Laboratory facilities.

The County and AES are coordinating the road improvements with the Idaho Department of Transportation. The design and construction will be conducted to meet the needs for safe travel. At this time there are three design proposals being considered; final design approval will be by the Idaho Department of Transportation. Cost estimates range between \$1 million and \$3.4 million. AES is committed to covering the cost for the Highway improvements above the \$500,000 grant amount. At a minimum, funding for the infrastructure project is estimated as follows:

RCBG - \$500,000
AES - \$520,306
TOTAL - \$1,020,306

The commitment of funding is contingent upon licensing approval and the federal loan guarantee for the construction of the EREF.

F. THRESHOLD FACTORS

1. Eligible Applicant (identify your eligibility refer to Chapter 2)

Bonneville County is an eligible applicant.

2. Eligibility Activity:

The project will construct improvements to public infrastructure in rural Bonneville County and will create 250 new jobs. These new jobs and the resulting secondary jobs will have a positive impact upon the entire County area and will also benefit the surrounding County areas. Thus this project has a widespread positive economic impact for eastern Idaho.

3. Administrative Capacity:

The Development Company of Rexburg, Idaho has experienced and Certified Grant Administrators on staff who are available to assist the County in meeting the grant requirements for the project.

4. Public Hearing:

Bonneville County conducted an advertised public hearing in an ADA accessible facility. Minutes of the meeting, the public hearing notice, a list of attendees and the Affidavit of Publication are included in **Appendix a.**

Date of Public Notice 02-19-2010 Date of Public Hearing : 03-01-2010

5. Job Commitment: Include documentation in **Appendix c.**

AES has provided a letter of commitment for the job creation contingent upon approval of the federal government's licensure processes and guaranteed loan commitment. The Eagle Rock Enrichment Facility will employ 250 individuals on a year round basis. The compensation and benefits to be offered to employees are competitive and in keeping with other nuclear industry compensation packages.

6. Business's Ability to Finance their Portion of the Project: Include documentation in appendix.

Although AES is awaiting federal approval of the loan guarantee this is a multibillion dollar project that has been highly publicized and thoroughly researched by the AREVA Board of Directors. The size and nature of AES precludes inclusion of financial reports within this application. Robert Poyser is Vice President of Idaho Falls Operations for AES . Should the State of Idaho require financial information, arrangements can be made to obtain the information through Mr. Poyser.

G. GENERAL PROJECT DESCRIPTION

1. Community Description: Attach Labor Market Profile

The January 2010 Labor Market Profile follows on pages 8 & 9.

2. Project Description: Construction of road ingress and egress infrastructure to connect the new Eagle Rock Enrichment Facility (EREF) to Highway 20. The EREF site is approximately 18 miles west of Idaho Falls in western Bonneville County; the same route is used by the majority of federal employees to reach the Idaho National Laboratory site in Bonneville and Butte Counties. AES, the Idaho Transportation Department and Bonneville County are consulting to determine the appropriate design for the improvements which will offer the greatest safety without interrupting the traffic flow and safety for all travelers on Highway 20 between Idaho Falls and points to the west.

Currently three designs are being considered. The costs estimates range from \$1 million to \$3.4 million.

3. Site Plans:

Infrastructure improvement plans for ingress and egress from Highway 20 to the Eagle Rock Enrichment Facility are pending. Bonneville County, AES and the Idaho Department of Transportation are considering three different design scenarios. Design criteria being considered for each design include traffic flow, safety, construction costs, longevity and maintenance. The improvements will be constructed within the existing Highway 20 right-of-way. For purposes of this grant application, the cost estimates are based upon the lowest estimated costs for the improvements. **Appendix f** shows the construction cost estimates for the Highway improvements.

Insert Labor Profile

Insert Labor Profile

BUDGET
RURAL DEVELOPMENT PROJECT

Grantee: Bonneville County

Project: Highway 20 Improvements - ingress and egress construction to Eagle Rock Enrichment Facility.

LINE ITEMS	AMOUNTS			
	RCBG Grant		Private Investment in Project-AES	Total
Planning				\$0
Administrative	\$25,000		\$3,000	\$28,000
Facilities Plan				\$0
Soft Costs				\$0
Design Professional				\$0
Construction	\$475,000		\$517,306	\$992,306
Property Value				\$0
Acquisition				\$0
Legal and Audit				\$0
Financing Expenses				\$0
Materials				\$0
Total Costs	\$500,000		*\$520,306	\$1,020,306

Remarks: *Depending upon the scope of construction to be identified with the Idaho Dept. of Transportation the AES contribution could increase to approximately \$2 million.

Rural Community Block Grant Environmental Scoping

Applicant: Bonneville County **Sub Recipient:** n/a

Prepared by: Rick Miller **Telephone number** (208) 356-4524 x 314

This site and desk review checklist is to be completed by the Applicant and submitted with the application.

The purpose of the checklist is to help the Applicant and Idaho Department of Commerce better understand what environmental statutes or provisions might impact the public and private project.

1. Planning Review

Has the project been approved by the local government planning review process?

☐ Yes ☒ No

If yes, are there any conditional approvals? _____

If no, what is the expected date that the planning review will be completed? _____

Late 2010 to Early 2011

2. Historic Preservation

If there is a building involved with the project is the building listed on the National Register?

☐ Yes ☐ No ☒ Not Applicable

3. Floodplain Management

Is the project located within a floodway or floodplain designated on a current FEMA map?

Check Web site <http://store.msc.fema.gov/> ☐ Yes ☒ No ☐ Not Sure

If yes, is the Grantee or Sub-recipient in the process of applying for a final letter of Map Amendment or Map Revision. ☐ Yes ☐ No

If the project is located in a floodway or floodplain, is the community a participant in the National Flood Insurance Program. Check Web site www.idwr.idaho.gov/water/flood

☐ Yes ☐ No

4. Wetland Protection

Are there ponds, marshes, bogs, swamps, drainage ways, streams, rivers, or other wetlands on or near the site? ☐ Yes ☒ No

If yes, has the Army Corps of Engineers (Corps) been notified? ☐ Yes ☐ No

Has the Corps indicated what permit level will be required? ☐ Yes ☐ No ☐ N/A

If yes, what is the permit level? _____

5. Sediment Control

Does the project require a storm water management or erosion plan? ____ Yes X No

If yes, what is the status of the plan? _____

Best Practices will be followed during construction of the road improvements.

6. Clean Air Act

Does the project require a DEQ air quality permit? ____ Yes X No

If yes, what is the current status of the permit process? Explain _____

For building demolition or improvements has an asbestos analysis been planned for or conducted?

____ Yes ____ No X N/A

7. Energy Efficient Designs

For building construction has the owner investigated possible incentives from power providers, such as Idaho Power, Avista, or Utah Power for incorporating energy efficient design into their building? ____ Yes ____ No X Not applicable.

8. Other Environmental Reviews

Has an American Society for Testing Materials (ASTM) environmental assessment been conducted or will be conducted? ____ Yes ____ No X Not applicable.

If yes, are there any identified concerns or recommended mitigation measures? ____ Yes ____ No

List if known - _____

Is the site's previous uses known to have been a gasoline station, train depot, dry cleaner, agricultural operations, repair shops, landfill, etc.? ____ Yes X No

9. Adverse Impacts

Have any adverse environmental impacts been identified and addressed? ____ Yes X No

If yes, explain _____

PROJECT SCHEDULE

PROJECT ACTIVITY	DATE COMPLETED	DATE TO BE COMPLETED
Engineering/Architect Contracted	N/A – using Idaho Trans. Dept. & AES Engineers	
Grant Administration Contracted		2010
Other Agency Apps Submitted	n/a	
Permits Identified and Approvals Secured		2010
Zoning Permits Secured	n/a	
Public Hearing Held	March 1, 2010	
Business' Job Commitment Finalized	*March 15, 2010	
Other Agency Approvals	n/a	
Local Match Secured (Business is covering)	*March 15, 2010	
Business Financing Finalized		To be determined
Appraisal Completed	n/a	
Property Acquisition Completed	n/a	
Engineering / Architect Design Approved	n/a	
Bid Document Certification		2010
Bids Advertised		2010
Start Public Construction		2011
Public Construction 50% Complete		2011
Public Construction Complete		2011
Start Business Construction		2011
Business Construction 50% Complete		2014(1)
Business Construction Complete		2017(2)
Job Creation Completed		2015
Final Closeout Report		2015
Final Audit		2015

*The AES conditional commitment is shown in their letter in **Appendix c**.

(1) At this point the facility will be partially operational, and some of the 250 new jobs will begin work.

(2) This estimated facility completion date will then begin the decrease of construction workers and begin full operations with a minimum staff of 250 full time employees. The potential to employ up to 400 full time employees is feasible, but it will not be determined until the construction and startup operations are complete.

PROJECT DEVELOPMENT TEAMS

	Name of Individual and Firm	PHONE
Grantee Project Team		
Chief Elected Official	Roger Christensen, Bonneville County	529-1350 x 1360
Engineer	AREVA Enrichment Services	208-227-9440
Grant Administrator	Rick Miller, The Development Co.	356-4524 x 314
Clerk	Ron Longmore, Bonneville County	529-1350 x 1355
Id. Trans. Dept.		
Business Project Team		
AES – Vice Pres	Robert W. Poyser	(208) 227-9440
Project Manager	To be determined	
Design Professional	To be determined	
Contractor	To be determined	
Human Resources	To be determined	

REVIEW AND RANKING CRITERIA

A. Community Distress Factors (200 Points)

1. Unemployment Rate: The 12-2009 Idaho Department of Labor forecast unemployment rate for Bonneville County is 6.1%. While this percentage is below the State and U.S. rates, the County rate has almost doubled in a twelve month period while the number of individuals in the workforce has decreased by more than 1,000 in the same period. One of the areas most affected by unemployment is the construction industry.

2. Per Capita Income: The most recent Per Capital Income is calculated through the year 2006. Idaho's PCI for 2006 is \$29,920, and Bonneville County's is \$32,348. It is anticipated that this PCI difference is due in part to the stable work environment at the Idaho National Lab (INL) and the innovative business development and growth from various sectors within the INL into the local communities.

3. Local Economic Distresses: Initial comparisons do not point to economic stress for Bonneville County. However, the economy of eastern Idaho is closely linked. Of the nine east Idaho-Region VI Counties, only Bonneville has a PCI above the State percentage. The other eight Counties are all below the State PCI as are Bannock and Bingham Counties to the south. Averaging the nine Counties together brings the unemployment percentage to 9.6 for December 2009. One of the industries affected by the economic downturn is the construction industry. The construction of the EREF will create between 600 and 1,000 jobs during a six to seven year period.

4. Lack of Developed Business/Site/Infrastructure: The site for the Eagle Rock Enrichment Facility is 18 miles west of Idaho Falls on Highway 20. The nature of the business is best suited to a very rural setting requiring a large amount of land and a minimum of 250 employees for startup operations. These requirements create the need for safe ingress and egress for all travelers on Highway 20 whether accessing the new business site or other destinations such as the INL or communities to the east and west.

5. Lack of Funding Resources: Given the current economic climate, it is understandable that the costs to construct the infrastructure improvements are not within the County's budget. Nor could they be budgeted in the foreseeable future. The County needs the Rural Community Block Grant assistance to support the job creation activities and the long-term benefits that are to be derived from the EREF locating in eastern Idaho. AES is committed to covering the additional construction costs for the infrastructure improvements that will be above the grant funding of \$500,000.

B. Project Benefits (200 Points)

1. Direct Job Creation

Once fully operational, the facility will employ up to 420 full time employees. Positions will range from Management to Technical and Support.

2. Job Quality and Fringe Benefits

All positions will have a wage and fringe benefit package competitive with others in the nuclear industry. **Appendix b** is a table indicating estimated compensation for the various positions. The benefits package is additional and is approximately 30% of the wage.

3. Direct Secondary Jobs

During facility construction and beginning operations, it is estimated that 3,000 to 5,000* (direct and indirect) secondary jobs will be generated or enhanced. Long-term secondary jobs are calculated for the impact the EREF will have on the sixteen counties of Regions V and VI. Calculations were prepared by Tanya Alban at the Idaho Department of Labor. The results of the calculations indicate a jobs multiplier of 2.94 and an earnings multiplier of 2.09. The printouts of Ms. Alban's calculations are in **Appendix g**.

*Provided by the Regional Development Alliance.

4. Project and Business Management Capacity

- a. AREVA Inc. (AREVA), the parent company to AES, operates facilities at 45 locations in twenty states and is the industry leader in the nuclear materials and services business in the US. AES selected Bonneville County as the home of the Eagle Rock Enrichment Facility after careful research of the eastern Idaho area as well as numerous other sites throughout the United States.
- b. AREVA, a multi-billion dollar company, is based in Bethesda, Maryland. The company employs approximately 6,000 employees in the US. In 2009, AREVA generated \$2.5 billion in revenues in the US. The company has a successful operations history as the leading nuclear vendor in the U.S. and as a key player in electricity transmission and distribution systems.

5. Long-Term Program

- a. Projected annual payroll for the Eagle Rock facility is expected to exceed \$25,000,000. This calculation is based upon information received from the Idaho Department of Commerce during project development meetings between the State and AES.
- b. Environmental impacts associated with the proposed highway construction project include the potential for fugitive dust and storm water runoff during construction. These items will be managed by "best management practices". The construction and operation of the EREF require extensive study and review of environmental issues. All of this work is completed within the licensing application to the NRC.

- c. County property taxes for the life of the EREF are estimated to be \$4 million annually once the project reaches a total expenditure of \$400 million.
- d. AES supports an Equal Employment Opportunity Program within all its business units.

C. Community Support (200 Points)

Address the following areas:

1. Project Support and Involvement

Letter of support from the Regional Development Alliance and other local organizations are in **Appendix d.**

2. Local Investment

Bonneville County is not in a financial position to contribute to the road improvements. Therefore, the construction costs above the \$500,000 grant will be provided by AES.

A letter of commitment from AES is in **Appendix c.**

3. Other Match

(Letters of commitment must be included in appendix.)

- a. No other match involved in this project.

D. Project Feasibility (200 Points)

1. Planning, Costs, and Schedule

- a. AES has its own team of design engineers for this project. The Idaho Department of Transportation Engineering Staff will work in coordination with the County and AES to determine the best design for the Highway 20 improvements. No additional design and engineering services for the Highway 20 improvement project are necessary.

- b. The project only involves the construction of Highway improvements. No other EREF construction costs are associated with this Grant.
- c. Easements are in place and the project will be within the existing right-of-way on Highway 20.
- d. No property acquisition is required for this project. This project will occur on the State owned right-of-way on Highway 20.
- e. Leasing – NOT APPLICABLE
- f. The status of the local planning review is: “Ongoing.”
- g. Building permits will not be required for the Highway improvements. The work will be coordinated with the County and the Idaho Transportation Dept.
- h. The project budget and schedule are on pages 10 and 13 respectively.

2. Cost Estimates

Attach the Design Professional’s Opinion on Probable Cost

3. Business Commitment. Attach:

Signed grantee assistance agreement

or

Business commitment letter: The letter of conditional commitment from AES is in **Appendix c.**

4. Creation of Marketable Asset

- a. Given the “necessary” rural location for the Eagle Rock Enrichment Facility it is less likely that neighboring businesses will locate near the site.
- b. Work created by the EREF facility will enable small businesses to expand. Therefore, the local and regional economy will grow from the return and recycling of each payroll dollar into the economy.

ESTIMATED COMPENSATION AND BENEFITS Attachment A*

Job Title	Job Description	Salaries Hourly & Annually	Fringe Benefits	No of People Required (FTE)	Approximate Date of Hire
Management	Business Mgmt.	\$100.00 Hourly	30%	25	2014
Professional	Senior Supervisor	\$65.00 Hourly	30%	50	2014
Skilled	Facility operations	\$45.00 Hourly	30%	150	2014
Administrative	Mgmt. Support	\$33.00 Hourly	30%	25	2014

***Information provided by State of Idaho Department of Commerce.**

Based upon a startup workforce of 250 persons, the annual payroll calculations total \$27,716,000. This figure is based upon the above number of positions, an hourly calculator of 2,080 full time hours and the projected hourly wage for each position.

Appendix a

Public Hearing Notice

Minutes of Public Hearing

Attendance Roster

Proof of Publication of Notice

Appendix b

Estimated EREF Compensation Information

Appendix c

Letter of Conditional Commitment – AES

Appendix d

Letters of Support

Regional Development Alliance

Grow Idaho Falls

Appendix e

Project Maps

Appendix f

Cost Estimates for Highway Improvements

Appendix g

Idaho Department of Labor Calculations of local economic impact from the EREF jobs

Appendix h

Fair Housing Resolution